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RHONDA

(A Development Stage Corporation)

This document includes:

- President's Message to Shareholders
- Notice of Annual General Meeting of Shareholders
- Proxy Statement and Information Circular
- Management's Discussion and Analysis
- Management and Auditor's Reports
- Financial Statements
- Notes to Financial Statements

2001 Annual Report

President's Message to Shareholders

We are pleased to report a year of continued success in our diamond exploration endeavours on our Inulik property in the Coronation gulf district of Nunavut.

With the results of the 2001 summer till sampling program on the Inulik property in, we have identified a number of samples that show anomalous levels of kimberlitic indicator minerals. These include G10 and eclogitic garnets similar to those found at our Knife diamondiferous kimberlite pipe. With information gained from preliminary airborne geophysical results from the spring 2002 survey, at least three anomalous samples have now been tied to geophysical targets that we anticipate drilling this summer. Further targets will be outlined once the final geophysical interpretation is received.

These results indicate the presence of kimberlite on Rhonda ground with a strong potential to be diamondiferous.

We are continuing to negotiate the formal joint venture agreement on our Knife property with De Beers Canada Exploration Inc. Once the formal agreement is signed, Rhonda will then be in a position to accept and publish the results from the 2001 drill program carried out on the Knife pipe.

Subsequent to the year-end, Rhonda:

- On February 14, completed a short form offering for net proceeds to the Company of $1,827,912;
- On March 8, entered into an option agreement to earn a 50% interest in 26,000 hectares of diamond claims in the Temagami region of northeastern Ontario;
- On April 16, commenced the 2002 Inulik program with an airborne geophysical (Mag/EM) survey; and
- On May 8, commenced the 2002 Temagami program with an airborne trimaxial magnetic gradiometer survey.

We are excited about the prospects of the Temagami option as it adds to Rhonda's portfolio another diamond prospect that has returned very positive kimberlitic indicator mineral chemistry in a relatively unexplored area of Canada.

Rhonda will be in a position to drill kimberlite targets on both the Inulik and Temagami properties during the 2002 programs.

On Behalf of the Board,

Glen R. Alston
President, Chief Financial Officer

May 10, 2002

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD JUNE 14, 2002

TO THE HOLDERS OF COMMON SHARES:

Notice is hereby given that an Annual General Meeting (the "Meeting") of holders of Common Shares of Rhonda Corporation (the "Company") will be held in the second floor meeting room, 540 5th Avenue SW, Calgary, Alberta, Canada, on the 14th day of June, 2002, at the hour of 3:00 p.m. Calgary time, for the following purposes:

1. to receive and consider the Financial Statements of the Company for the year ended December 31, 2001, the auditors' report thereon and the report of the directors;
2. to elect directors;
3. to appoint auditors and authorize the board of directors to fix their remuneration; and
4. to transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The specific details of the matters to be put before the Meeting are set forth and described in the Information Circular - Proxy Statement of the Company accompanying this Notice.

The record date for the determination of shareholders entitled to receive notice of and to vote at the Meeting is April 25, 2002. Shareholders of the Company whose names have been entered in the register of shareholders at the close of business on that date will be entitled to receive notice of and to vote at the Meeting, provided that, to the extent a shareholder transfers the ownership of any of his shares after such date and the transferee of those shares establishes that he owns the shares and requests, not later than 10 days before the Meeting, to be included in the list of shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those shares at the Meeting.

A shareholder may attend the Meeting in person or may represented by proxy. Shareholders who are unable to attend the meeting or any adjournment thereof are requested to date, sign and return the enclosed form of proxy for use at the Meeting or any adjournment thereof. To be effective, the enclosed must be mailed so as to reach or be deposited with the Corporate Secretary of the Corporation, c/o Valiant Trust Company, Stock Transfer Services, 510, 550 - 6th Avenue SW, Calgary, Alberta, T2P 0S2, no later than forty-eight (48) hours (excluding Saturdays and holidays) prior to the Meeting or any adjournment thereof.

The instrument appointing a proxy shall be in writing and shall be executed by the shareholder or his attorney authorized in writing, or if the shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized.

The persons named in the enclosed form of proxy are directors and/or officers of the Company. Each shareholder has the right to appoint a proxyholder other than such persons, who need not be a shareholder, to attend and to act for and on behalf of such shareholder at the Meeting. To exercise such right, the name of the management's nominees may be crossed out and the name(s) of the shareholder's nominee(s) legibly printed in the blank space provided.

DATED at Calgary, Alberta this 10th day of May, 2002.

By Order of the Board,

Glen Alston,
President

INFORMATION CIRCULAR - PROXY STATEMENT

SOLICITATION OF PROXY

This Information Circular - Proxy Statement is being furnished in connection with the solicitation of proxies by management of Rhonda Corporation (hereinafter called the "Company") for use at the Annual General Meeting of Shareholders (hereinafter called the "Meeting") to be held on Friday, June 14, 2002 in the second floor meeting room, 540- 5th Avenue SW, Calgary, Alberta, at 3:00 pm and any adjournment thereof, and on every ballot that may take place in consequence thereof for the purpose set forth in the Notice of Annual General Meeting of Shareholders.

Instruments of proxy must be mailed so as to reach or be deposited with the Corporate Secretary of the Company, c/o Valaint Trust Company, 510, 50 - 6th Avenue SW, Calgary, Alberta, T2P 0S2, not less than 48 hours (excluding Saturdays and holidays) prior to the Meeting or adjournment thereof. The Board of Directors of the company has fixed the record date for the Meeting at the close of business on April 25, 2002 (the "Record Date"). Only shareholders of record of the Company as at that date are entitled to notice of, and to vote at, the Meeting; provided that to the extent that such holder transfers ownership of any of his shares after the Record Date and the transferee of those shares establishes that he owns such shares and demands, not later than 10 days before the Meeting, that his name be included in the list of shareholders entitled to vote at the Meeting such transferee will be entitled to vote such shares at the Meeting.

Instruments of proxy must be in writing and must be executed by the shareholder or his attorney authorized in writing, or if the shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized. Persons signing as executors, administrators, trustees, etc. should so indicate and give their full title as such.

The persons named in the form of proxy furnished by the Company are directors and/or officers of the Company. Each shareholder has the right to appoint a person or persons, who need not be a shareholder of the Company, other than the persons designated in the form of proxy furnished by the Company, to attend and act for and on behalf of such shareholder at the Meeting. To exercise such right, the name of the management's nominees may be crossed out and the name(s) of the shareholder's nominee(s) legibly printed in the blank space provided, or another appropriate instrument of proxy may be submitted.

BENEFICIAL HOLDERS OF SHARES

The information set forth in this section is of significant importance to beneficial holders of Common Shares of the Company who do not hold their Common Shares in their own name ("Beneficial Shareholders"). Beneficial Shareholders should note that only proxies deposited by shareholders whose names appear on the records of the Company as the registered holders of shares can be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then in almost all cases those shares will not be registered in the Beneficial Shareholder's name on the records of the Company. Such shares will more likely be registered under the name of the Beneficial Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depositary for Securities Limited, which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting shares for their clients. The Company does not know for whose benefit the shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is a voting instruction form or a form which is identical to the form of proxy provided to registered shareholders. In either case, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Independent Investor Communication Corporation ("IICC"). IICC typically applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the proxy forms to IICC. IICC then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the meeting. **A Beneficial Shareholder receiving a voting instruction request or a proxy with IICC sticker on it cannot use that instruction request or proxy to vote Common Shares directly at the Meeting as the proxy must be returned as directed by IICC well in advance of the Meeting in order to have the shares voted. Accordingly, it is strongly suggested that Beneficial Shareholders return their completed instructions or proxies as directed by IICC well in advance of the Meeting.**

REVOCABILITY OF PROXY

A Shareholder who has given a proxy has the power to revoke it. If a person who has given a proxy attends personally at the Meeting at which the proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing signed by the shareholder or his attorney in writing, or, if the shareholder is a corporation, under its corporate seal and signed by a duly authorized officer or attorney for the corporation, and deposited at the registered office of the Company at any time up to and including the last day (other than Saturday or holidays) preceding the day of the Meeting at which the proxy is to be used, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting, or on the day of any adjournment thereof, prior to the commencement of the Meeting.

PERSONS MAKING THE SOLICITAION

This solicitation is made on behalf of the management of the Company. The costs incurred in the preparation and mailing of the form of proxy furnished by the Corporation, the Notice of Annual General Meeting of Shareholders and this Information Circular - Proxy Statement will be borne by the Company. In addition to the use of mails, proxies may be solicited by personal interviews, telephone or other means of communication by directors, officers and employees of the Company, none of whom will be specifically remunerated thereof.

EXERCISE OF DISCRETION BY PROXY

The share represented by the form of proxy enclosed with this Information Circular - Proxy Statement, where the shareholder specifies a choice with respect to any matter to be acted upon, will be voted or with held from voting on any ballot in accordance with the specifications made.

In absence of such specifications, such shares will be voted in favour of the matters to be acted upon. The persons appointed under the form of proxy furnished by the Company are conferred discretionary authority with respect to amendments or variations to the matters specified in the proxy and with respect to any other matters which may properly be brought before the Meeting or any adjournment thereof. At the time of printing this Information Circular - Proxy Statement, the management of the Company knows of no such amendment, variation or other matter.

BUSINESS OF THE MEETING

Receipt of 2001 Financial Statements

The Company's audited financial statements for the year ended December 31, 2001 have been forwarded to shareholders with this Information Circular - Proxy Statement. No formal action will be taken at the meeting to approve such financial statements, with the requirements of the Business Corporations Act (Alberta) being met with advance circulation of such financial statements. If shareholders have questions respecting the financial statements for the year ended December 31, 2001 such questions may be brought forward during the "Other Matters" portion of the Meeting.

Election of Directors

Unless otherwise directed, it is the intention of management to vote proxies in favour of the election as directors of the five (5) nominees hereinafter set forth:

John M. Alston
Glen R. Alston
Bernard Benning
Jim Lehman
Thomas W. Whittingham

Information regarding the persons nominated for the election as directors, including the number of voting securities of the Company each beneficially owns, directly or indirectly, or over which each exercises control or direction is as follows:

Name and Country of Ordinary Residence	Principal Occupation	Year First Became Director	Number of Common Shares beneficially owned directly or indirectly on April 25, 2002
JOHN M. ALSTON, (1)(2) Canada	Chairman and CEO of the Company	1986	330,000
GLEN R. ALSTON, Canada	President and Chief Financial Officer of the Company	1993	2,424,800
BERNARD BENNING(1)(2) Canada	VP Corporate Development, Bow Valley College	1995	20,000
JIM LEHMAN Canada	CFO for Nunasi Corporation, Nunavut	1999	60,000
THOMAS W. WHITTINGHAM (1)(2) Canada	Retired, formerly VP Exploration for Westcoast Petroleum	1989	15,000

(1) Member of Audit Committee, which committee is a required pursuant to the Business Corporations Act (Alberta).
(2) Member of the Compensation Committee.

Appointment of Auditors

At the Meeting, unless otherwise directed, the management designees, if named as proxy, intend to vote for reappointment of BDO Dunwoody LLP as Auditors of the Company at a remuneration fixed by the Board of Directors.

Other Matters to be Acted Upon

While there is no other business other than that mentioned in the notice to be presented for action by the shareholders at the Meeting, it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.

INFORMATION CONCERNING THE CORPORATION

Voting Shares and Principal Holders Thereof

The Company is authorized to issue an unlimited number of common shares and first preferred shares. As of the date hereof, the Company has 35,202,318 Common Shares outstanding. There are no other shares outstanding of any class. Holders of Common Shares are entitled to vote at the Meeting and holders of Common Shares are entitled to one vote for each Common Share held. Two or more shareholders personally present or representing by proxy not less than 5% of the issued Common Shares of the Company will represent a quorom.

As at the date hereof, the directors and officers of Rhonda, as a group, beneficially owned, directly or indirectly 3,426,300 Common Shares or approximately 9.7% of the issued and outstanding Common Shares. In addition, directors and officers of Rhonda hold options and warrants entitling them as a group to acquire an additional 3,350,000 Common Shares.

Executive Compensation

Summary Compensation Table

The following table sets forth information concerning the compensation paid to Rhonda's four senior officers (collectively, the "Named Executive Officers"). No other executive officer's total annual salary and bonus exceeded $100,000 during the year ended December 31, 2001.

		Annual Compensation	Long-Term Compensation			
			Awards		Payouts	
Name And Principal Position	Year	Salary ($)	Securities Under Stock Options Granted (#)	Restricted Shares or Restricted Share Units ($)	LTIP Payouts ($)	All Other Compensation ($)
John M. Alston Chairman & CEO	2001 2000	60,000 60,000	730,000 580,000	N/A N/A	N/A N/A	--- ---
Glen R. Alston President & CFO	2001 2000	111,500 45,000	730,000 580,000	N/A N/A	N/A N/A	--- ---
Judith Stoeterau VP Exploration	2001 2000	40,000 26,000	350,000 275,000	N/A N/A	N/A N/A	--- ---
Robert d'Artois VP Investor Relations	2001 2000	59,600 22,500	350,000 275,000	N/A N/A	N/A N/A	--- ---

Stock Options

The following table sets forth the stock options to purchase Common Shares granted to the Named Executive Officers during the most recently completed financial year (the year ended December 31, 2001).

Name	Common Shares Under Stock Options Granted (#)	% of Total Stock Options Granted to Employees in Financial Year	Exercise Price ($/Common Share)	Market Value of Common Shares Underlying Stock Options on the Date of Grant ($/Common Share)	Expiration Date
John M. Alston	150,000	26.1	0.40	0.40	Oct 22, 2006
Glen R. Alston	150,000	26.1	0.40	0.40	Oct 22, 2006
Judith Stoeterau	100,000	17.4	0.40	0.40	Oct 22, 2006
Robert d'Artois	75,000	13.0	0.40	0.40	Oct 22, 2006

Employment Arrangements

The Chairman, President and Vice President of Exploration have contract agreements with the Company whereby they are entitled to receiver certain payments in the even of termination of employment without cause. They would each receive an amount equal to one year's current annual salary plus an amount equal to their current annual salary times the number of years of service divided by twelve. As of the date hereof, such compensation would, in aggregate, total $548,000.

Directors' Remuneration

Rhonda has not established a policy for compensation of directors at this time.

Statement of Corporate Governance Practices

The term "corporate governance" refers to the way the business and affairs of the Issuer are managed. The board of directors of an Issuer is responsible for managing or supervising the management of the business and affairs of the Issuer on behalf of the owners, the shareholders. The board generally delegates the day-to-day management responsibilities to the senior officers. Good corporate governance requires and ensures: an effective system of accountability by management to the board and by the board to the shareholders; information be made available and that decisions can be reviewed; and all shareholders are protected and, in the circumstances where there is a significant shareholder, ensures that minority shareholder interests are protected.

The Company's business strategy, operating strategy and business practices are overseen by the Board of Directors. The Audit Committee, made up of one member of management and two non-management directors, is responsible for the integrity of financial controls, procedures and management information systems. The Board meets regularly and is consulted with on major issues such as planning, acquisitions and divestitures. Its focus is the protection of Rhonda's assets and shareholder value.

The contents and the sending of this Information Circular - Proxy Statement have been approved by the Board of Directors of the Company.

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required be to stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED at Calgary, Alberta, this 10th day of May 2002.

JOHN M. ALSTON
Chairman
Chief Executive Officer

GLEN R. ALSTON
President
Chief Financial Officer

MANAGEMENT'S DISCUSSION AND ANALYSIS

THE COMPANY

Rhonda Mining Corporation was amalgamated under the Business Corporations Act (Alberta) in 1992. During 2000 the Company's name was changed to Rhonda Corporation.

Rhonda's original mandate was to identify and explore mineral properties and to assess the economic potential of such properties, with the long-term objective of finding an economic ore body. With the economic downturn in the mineral exploration industry in late 1997 and early 1998, management began to explore other ventures that might help to provide stability to Rhonda in these cyclical downturns. In late 1998 management received board approval to examine potential high-tech ventures. This resulted in Rhonda's investment in Carmina Technologies, Inc.

MINERAL PROPERTIES

Diamond Prospects

Rhonda has taken a large step forward with the discovery in June 2000 by De Beers of the diamondiferous kimberlite body on our Knife Property in Nunavut. De Beers has been granted an option to earn a 70% interest in the property by expending $10 million on the property and carrying Rhonda's interest to production.

The Knife discovery has opened up the potential for similar discoveries to be made on our remaining 100% held Inulik Property, of which Rhonda holds 48,938 hectares.

De Beers completed six holes during their drill program on the Knife Property in May 2001. Rhonda completed their Inulik field program in July 2001 with the collection of 571 till samples. Rhonda has budgeted between $750,000 and $1.5 million for its 2002 field program, which commenced in April with an airborne Mag/Em survey.

Subsequent to the year-end, Rhonda entered into an option agreement with Tres-Or Resources Ltd. to earn a 50% interest in 1626 diamond claims located in the Temagami region of Northeastern Ontario.

Base Metal Prospects

The Inulik property also contains the Esker lead-zinc prospect. Although management feels there is strong potential for this prospect, further improvement in the base metal commodity prices are required before Rhonda will revisit it.

Gold Prospects

Rhonda maintains its extensive lease holdings along the Courageous Lake gold belt in the Northwest Territories. Gold continues to show signs of improvement and Rhonda will watch these developments closely in order to determine the optimum time to recommence exploration of this area.

Location	Size	Net Interest	Nature of Rights
Inulik (Esker), Nunavut	48,938 ha	100%	Claims
Knife Lake, Nunavut	1,024 ha	100%*	Claims
Temagami, Ontario	26,000 ha	Option to earn 50%	Claims
Courageous Lake, NWT	3,483 ha	100%	Mining Leases
Harley, NWT	618 ha	100%	Claims

*option granted to De Beers Canada Exploration to earn 70% interest

INVESTMENTS

Completed a shares for debt settlement with Hansa Corporation resulting in Rhonda holding 4,000,000 shares (40%) of Hansa's issued and outstanding common shares.

Carmina Technologies Inc. Is continuing to implement its business plan. Certain areas of Carmina's business will be generating cash flows by the end of the second quarter and are expected to be cash flow positive by the end of the third quarter. This could enhance the value of Rhonda's investment in Carmina (8,000,000 common shares), which is not reflected in Rhonda's share price.

FINANCIAL POSITION

The financial condition of Rhonda is related more to investor sentiment in the market place than any other factor. As funds are raised through equity financing, the dilution incurred varies inversely to the market price of the Company's common shares.

	2001	2000	1999	1998	1997 Six Months
(a) Revenues	240,450	230,400	340,000	215,503	11,859
(b) Net Income (Loss)					
Total	(1,174,143)	282,463	(916,024)	(2,731,304)	(4,334,936)
Per Share	(0.04)	0.01	(0.03)	(0.17)	(0.27)
(c) Total Assets	13,743,951	12,860,732	11,927,550	12,156,728	15,339,378

OPERATIONS

As the main business of Rhonda is fundamentally a risk venture dependent on the outcome of its various exploration projects, projections of future operating results from this main business cannot be made based on past performance and predictions of future financial conditions cannot be based upon past history.

EXPENSES

Rhonda has seen a 60% increase in administrative expense, this reflects a higher level of activity during 2001.

OTHER ITEMS

Rhonda realized a one time income of $914,741 in 2000 related to the settlement agreement between Rhonda and Power Kiosks Inc.

Rhonda records its investment in Carmina Technologies, Inc. on the equity basis and therefore realized a share loss in investment of $664,272 in 2001 ($301,416 in 2000). As Carmina begins to introduce its products to the market and thus create revenues, Rhonda expects to realize a reduction in these losses.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity and capital resources for a mineral exploration company depends on exploration results and the state of capital markets and therefore cannot be predicted with certainty.

MANAGEMENT'S REPORT

The accompanying financial statements and all information in the annual report are the responsibility of management. The financial statements have been prepared by management in accordance with the accounting policies outlined in the notes to the financial statements. Financial statements include certain amounts based on estimates and judgments. Management had determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly. In the opinion of management, the financial statements have been prepared within acceptable limits of materiality and are in accordance with Canadian generally accepted accounting principles. The financial information contained elsewhere in the annual report has been reviewed to ensure consistency with that in the financial statements.

Management maintains appropriate systems of internal control. Policies and procedures are designed to give reasonable assurance that transactions are appropriately authorized, assets are safe-guarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

BDO Dunwoody LLP, the external auditors, conduct an independent examination of the financial statements in accordance with Canadian generally accepted auditing standards in order to express their opinion of the financial statements. Their examination includes a review and evaluation of the Company's system of internal control and such tests and procedures as considered necessary to provide reasonable assurance that the financial statements are presented fairly.

The consolidated financial statements have been approved by the board of directors.

John M. Alston
Chairman, CEO

Glen R. Alston
President, CFO

AUDITORS' REPORT

TO THE SHAREHOLDERS OF RHONDA CORPORATION

We have audited the consolidated balance sheets of Rhonda Corporation (a development stage corporation) as at December 31, 2001 and 2000, and the consolidated statements of income and deficit and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Calgary, Alberta
May 10, 2002

BDO Dunwoody LLP
Chartered Accountants

BALANCE SHEETS

As at December 31,		2001		2000
ASSETS				
CURRENT				
Cash	$	**1,209**	$	8,478
Accounts receivable (Notes 3 & 4)		**983,972**		412,220
Prepaid expenses		**1,500**		1,712
Debenture receivable (Note 4)		**1,520,000**		--
		2,506,681		422,410
DUE FROM AFFILIATED COMPANIES, (Note 3)		**813,290**		723,008
DEBENTURE RECEIVABLE (Note 4)		**--**		1,520,000
INVESTMENT IN SHARES, (Note 5)		**854,510**		917,810
CAPITAL ASSETS, (Note 6)		**52,742**		70,722
MINERAL PROPERTIES AND DEFERRED COSTS,(Note 7, schedule)		**9,516,728**		9,206,782
	$	**13,743,951**	$	12,860,732
LIABILITIES				
CURRENT				
Bank overdraft	$	**12,262**	$	--
Accounts payable		**1,155,126**		946,732
		1,167,388		946,732
SHAREHOLDERS' EQUITY				
SHARE CAPITAL, (Note 8)		**45,841,936**		44,048,762
Share purchase loan receivable, (Note 8(b))		**(162,968)**		(206,500)
DEFICIT		**(33,102,405)**		(31,928,262)
	$	**12,576,563**	$	11,914,000
		13,743,951		12,860,732

The accompanying notes are an integral part of these financial statements.

APPROVED ON BEHALF OF THE BOARD:

John M. Alston
Director

Glen R. Alston
Director

STATEMENTS OF INCOME AND DEFICIT

FOR THE YEARS ENDED DECEMBER 31,

		2001		2000
REVENUE				
Interest income	$	**190,450**	$	190,400
Management fees		**50,000**		40,000
		240,450		230,400
EXPENSES				
Administrative (see Schedule)		**722,659**		484,572
Amortization		**17,980**		24,304
Interest		**9,682**		4,962
		750,321		513,838
OPERATING LOSS		**(509,871)**		(283,438)
OTHER				
Loss on sale of investments		**--**		(47,424)
Gain on settlement (Note 14)		**--**		914,741
Share of losses in investments, accounted for on the equity basis		**(664,272)**		(301,416)
NET INCOME (LOSS) FOR THE YEAR		**(1,174,143)**		282,463
DEFICIT, BEGINNING OF YEAR		**(31,928,262)**		(32,210,725)
DEFICIT, END OF YEAR	$	**(33,102,405)**	$	(31,928,262)
INCOME (LOSS) PER SHARE	$	**(0.04)**	$	0.01
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		**26,419,494**		22,986,291

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31,

		2001		2000
CASH FROM OPERATING ACTIVITIES				
Net income (loss) for the year	$	**(1,174,143)**	$	282,463
Adjustments for:				
Amortization		**17,980**		24,304
Loss on sale of investments		**--**		47,424
Share of losses in investments		**664,272**		301,416
Share investment consideration in exchange for settlement (Notes 14 and 16)		**--**		(885,642)
Accrued interest on debenture receivable (Note 16)		**(190,400)**		(190,400)
Cash flow from operations		**(682,291)**		(420,435)
Changes in non-cash working capital balances:				
Accounts receivable		**313,354**		51,684
Prepaid expenses		**212**		(1,712)
Accounts payable		**418,394**		43,250
CASH PROVIDED BY OPERATING ACTIVITIES		**49,669**		(327,213)
CASH FROM FINANCING ACTIVITIES				
Issuance of common shares		**1,152,000**		611,250
CASH PROVIDED BY FINANCING ACTIVITIES		**1,152,000**		611,250
CASH FROM INVESTING ACTIVITIES				
Due from affiliated companies		**(691,254)**		(199,510)
Proceeds on sale of shares		**--**		10,000
Purchase of mineral properties and expenditures on mineral properties		**(529,946)**		(80,839)
Purchase of capital assets		**--**		(2,070)
Proceeds on disposal of capital assets		**--**		100
CASH USED BY INVESTING ACTIVITIES		**(1,221,200)**		(272,319)
INCREASE (DECREASE) IN CASH		**(19,531)**		11,718
CASH (BANK INDEBTEDNESS), BEGINNING OF YEAR		**8,478**		(3,240)
CASH (BANK INDEBTEDNESS), END OF YEAR	$	**(11,053)**	$	8,478
REPRESENTED BY				
Cash	$	**1,209**	$	8,478
Bank overdraft		**(12,262)**		--
	$	**(11,053)**	$	8,478
CASH FLOW FROM OPERATIONS PER SHARE	$	**(0.026)**	$	(0.018)

The accompanying notes are an integral part of these financial statements.

1. NATURE OF OPERATIONS

The Company, directly and through joint ventures, is in the process of exploring its mineral properties in Canada and has not yet determined whether these properties contain ore reserves that are economically recoverable. The Company is in the development stage.

The recoverability of amounts shown for mineral properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and future profitable production or proceeds from the disposition thereof.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company have been prepared by management in accordance with Canadian generally accepted accounting principles. The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The financial statements have, in management's opinion, been properly prepared using careful judgement with reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

(a) Going Concern
The accompanying financial statements have been prepared on the basis of a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. As at the date of issue of these financial statements, the Company is in a deficit position from accumulated operating losses and was experiencing a negative cash flow from ongoing operations and, therefore, its ability to meet future commitments on mining properties is not assured.

Continuation of the Company as a going concern is dependent upon obtaining additional capital. The financial statements do not include any adjustments relating to the realization of assets and liquidation of liabilities that might be necessary should the Company be unable to continue as a going concern.

Although successful resolution of these uncertainties is not assured, management is of the opinion that additional capital can be raised.

(b) Principles of Consolidation
The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries from date of acquisition.

(c) Marketable Securities
Marketable securities are valued at the lower of cost and market.

(d) Investments
When the Company has significant influence over its investments, they are accounted for by the equity method. The investment is initially recorded at cost and the carrying value adjusted thereafter to reflect the changes in the Company's share in the equity of the investee. Where the Company does not have significant influence investments are recorded at cost. Income is recognized to the extent of dividends received. When there is a decline in value other than a temporary decline, the investment is written down to recognize the loss.

(e) Capital Assets
Capital assets are recorded at cost. Amortization is computed using the declining balance method with rates varying from 20% - 30%.

(f) Mineral Properties and Deferred Costs
Costs of acquisition and development of mineral properties are capitalized on an area of interest basis. Amortization of these costs will be on a unit of production basis, based on estimated proven reserves of minerals of the areas should such reserves be found. If an area of interest is abandoned or management has indicated that further development appears unlikely, the costs thereto will be charged to income in the year.

(g) Foreign Currency
Foreign currency accounts are translated to Canadian dollars as follows:
At the transaction date, each asset, liability, revenue, or expense is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year end date, monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date and the resulting foreign exchange gains and losses are included in income in the current period.

(h) Flow-through Shares
Expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through arrangements are renounced to investors in accordance with income tax legislation. Mineral properties and share capital are reduced by the estimated cost of the renounced tax deductions when the expenditures are incurred and renounced. The Company can renounce expenditures incurred for up to 12 months after the year end date for flow through financing completed during a year. Expenditures incurred after February 28 of the subsequent year are subject to a "look-back" penalty. This penalty is accrued and accounted for in the subsequent year, as it is determined based on the monthly level of expenditures incurred by the Company in the year subsequent to the year in which the flow through financing is undertaken.

(i) Joint Venture
The accounts reflect only the Company's proportionate interest in any joint ventured properties.

(j) Future Income Taxes
Effective January 1, 2000, the Company adopted the recent recommendations of the Canadian Institute of Chartered Accountants with respect to accounting for income taxes on a retroactive basis with no restatement of comparative financial statements. Under the new recommendations, the liability method of tax allocation is used in accounting for income taxes. The change did not have any material effect on the Company's financial statements.

(k) Stock Based Compensation Plan
The Company has a stock-based compensation plan as per Note 8 (c). No compensation expense is recognized for this plan when stock or stock options are issued to directors, officers, employees or consultants ("optionees"). Any consideration paid by optionees on exercise of stock options or purchase of stock is credited to share capital. If stock or stock options are repurchased from optionees, the excess of the consideration paid over the carrying amount of the stock or stock options cancelled will be charged to retained earnings.

(l) Financial Instruments
The Company carries various financial instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values.

(m) Per Share Amounts
Basic earnings per common share and cash flow from operations per common share are computed by dividing earnings and cash flow from operations by the weighted average number of common shares outstanding for the period. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. The treasury stock method is used to determine the dilutive effect of stock options and other dilutive instruments, in accordance with new standards approved by the Canadian Institute of Chartered Accountants. Full diluted amounts have not been disclosed as they are anti-dilutive, (Note 8 (e)).

(n) Measurement Uncertainty
The amount recorded as capitalized costs under mineral properties is based on expenditures and deferred until the property is in commercial production, when these capitalized costs will be depleted over the estimated life of the property. The value of the assets supporting the debenture receivable are estimated by management. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in estimates in future periods could be significant

3. DUE FROM AFFILIATED COMPANIES

The amounts due from Hansa Corporation("Hansa") and other affiliated companies are non-interest bearing, due on demand and unsecured. The relationship of these affiliated companies is described in Note 5. Intercompany balances consist of the following:

	2001	2000
Hansa Corporation	$ 131,045	$ 596,147
Carmina Technologies, Inc.	677,503	120,580
Other	4,742	6,281
	$ 813,290	$ 723,008

Included in accounts receivable is $302,242 (2000 - $13,796) due from directors and officers of the Company. Included in accounts payable is $57,376 (2000 - $116,287) due to directors and officers of the Company.

4. DEBENTURE RECEIVABLE

The amount is due from Courage Investments Limited ("Courage") on December 31, 2002 and bears interest at the rate of 7% per annum payable on a quarterly basis until the debenture is repaid. The debenture is supported by all of the property and assets of Courage, which includes 4,000,000 shares of Carmina Technologies Inc. and is also supported by an additional 2,000,000 shares pledged to the Company by Gemexport Limited, a company affiliated with Courage. The market value of the Carmina shares as of the audit report date is $3,381,000. The collectibility of this amount from Courage may be dependent upon future realization of added value from their long-term investments or Courage raising additional financing. The Company accepted this debenture in exchange for certain debts to the Company from Hansa Corporation which had been assumed by Courage.

The current year's interest on the debenture of $190,400 has been accrued within Courage's accounts receivable balance of $483,449 (2000 - $377,299) included in total accounts receivable as at December 31, 2001. The Company also enters into various other transactions with Courage on a regular basis.

5. INVESTMENT IN SHARES

	2001	2000
(a) Hansa Corporation	$ 600,972	$ --

On November 20, 2001 the Company accepted 4,000,000 common shares of Hansa for settlement of debt totalling $600,972. This represents an approximate 40% interest in Hansa. The investment is accounted for by the equity method an a going forward basis and as such no amount of subsidiary income (losses) have been recorded in the current year. This company is related by virtue of having certain common management and directors. As at December 31, 2001, the market value of investment in Hansa was approximately $760,000.

(b) Carmina Technologies, Inc.	$ 199,688	$ 863,960

During 2000, the Company accepted a share exchange offer from Carmina Technologies, Inc. to exchange its investment in Rhonda Networks, Inc. for Carmina shares. At December 31, 2001 the Company held 7,000,000 shares of Carmina which

represents an approximate 33% interest. The Company also holds 1,000,000 warrants of Carmina with each warrant exercisable to one share of Carmina at an exercise price of USD $1.00 per warrant until December 31, 2002. The investment is accounted for by the equity method. During the period, the Company's share of investee losses amounted to $664,272 (2000 - $301,416) which has been recorded against the carrying value of the investment. As at December 31, 2001, the market value of investments in Carmina was approximately $5,250,000.

(c) Forest Gate Resources Ltd. $ 53,850 $ 53,850
During 1999 the Company received 500,000 shares for the settlement of debt. The investment is accounted for by the cost method.

	$ 854,510	$917,810

6. CAPITAL ASSETS

Furniture and Equipment	2001	2000
Cost	$ 172,854	172,854
Accumulated amortization	(120,112)	(102,132)
Cost less accumulated amortization	$ 52,742	70,722

7. MINERAL PROPERTIES

(a) Courageous Lake / Jax
The Company holds a 100% interest in six leases within close proximity to Courageous Lake in the Northwest Territories.

(b) Inulik
The Inulik property is located in Nunavut, approximately one hundred and seventy eight kilometres southeast of Kugluktuk. The Company holds a 100% interest in forty eight thousand, nine hundred and thirty-eight hectares of claims.

(c) Knife
The Knife property consists of a 100% interest in one thousand, and twenty four hectares of claims located adjacent to the Inulik property. Theproperty has been joint ventured, whereby if the joint venture partner expends$10,000,000 Rhonda's interest will drop to 30% and the Company will be carried to production.

(d) Harley
The Harley property is situated in the Northwest Territories approximately 60 kilometers south of Kuglugtuk. The Company holds a 100% interest in six hundred and eighteen hectares of claims.

The Company is satisfied that titles to mineral properties are valid and are not subject to any environmental constraints under present legislation.

8. SHARE CAPITAL

(a) Authorized:
Unlimited number of common shares.
Unlimited number of first preferred shares

	December 31, 2001		December 31, 2000	
(b) Common shares:	**Numbers**	**Amounts**	Numbers	Amounts
Issued, beginning of year	**24,378,668**	**$44,593,762**	22,393,668	$43,776,012
Flow through shares issued	**212,500**	**85,000**	200,000	80,000
Tax effect of flow through	**--**	**(220,000)**	--	--
Gifted back to Company	**(3)**	**(6)**	--	--
Warrant Exercised	**1,000,000**	**120,000**	--	--
Private placement issued for cash and reduction of payables[3] (Note 16 (b))	**1,200,000**	**505,000**	600,000	240,000
Exercise of options for cash	**40,000**	**10,000**	345,000	77,750
Share issuance costs	**--**	**(33,320)**	--	--
Issued, end of year	**26,831,165**	**45,060,436**	23,538,668	44,173,762
Shares to be issued for cash and reduction of Payables [1](Note 16 (c))	**1,450,000**	**516,500**	--	--
Flow through shares to be issued for cash and reduction of payables [2](Note 16 (d))	**2,100,000**	**810,000**	840,000	420,000
	30,381,165	**46,386,936**	24,378,668	44,593,762
Less shares held by company (Note 10)	**(700,000)**	**(545,000)**	(700,000)	(545,000)
Adjusted share capital, end of year	**29,681,165**	**$45,841,936**	23,678,668	$44,048,762

(1) *These shares were issued to a company controlled by a director of the Company and an individual related to a director of the Company and are to be issued once regulatory approval has been received.*

(2) *These flow through shares are to be issued once regulatory approval has been received. The share purchase receivable of $162,968 (2000 - $206,500). as of December 31, 2001 was as a result of funds in transit at December 31, 2001 which was received in January 2002. Of the total, 500,000 shares valued at $200,000 were issued to employees, officers and directors of the Company.*

(3) *Of the total, 500,000 shares valued at $225,000 were issued to employees, officers and directors of the Company.*
The outstanding balance at December 31, 2000 was received in January 2001.

(c) The Company has an employee stock option plan reserving 2,680,000 (December 31, 2000 - 2,155,000) common shares for issuance to employees, directors and key executives. The Company cancelled 10,000 options priced at $0.50 per share and granted 575,000 options during the year at prices varying between $0.40 and $0.45 per share. Details of options outstanding as at December 31, 2001 and 2000 are as follows:

	2001		2000	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Stock options, beginning of year	**2,155,000**	**$ 0.67**	1,290,000	$ 0.24
Granted	**575,000**	**0.40**	1,270,000	0.97
Exercised	**(40,000)**	**0.25**	(345,000)	0.25
Cancelled	**(10,000)**	**0.50**	(60,000)	0.25
Stock options outstanding, end of year	**2,680,000**	**0.62**	2,155,000	0.67
Exercisable, end of year	**1,161,250**	**$ 0.66**	687,500	0.50

	Options outstanding			**Options exercisable**	
Range of exercise prices	Options outstanding	Weighted average remaining term (years)	Weighted average exercise price	Options exercisable	Weighted average exercise price
Under $1.00	1,480,000	3.1	$ 0.61	561,250	$ 0.30
$1.00 - $1.99	1,200,000	3.8	1.00	600,000	1.00
	2,680,000	3.6	$ 0.62	1,161,250	$ 0.66

(d) The Company has 5,283,750 (December 31, 2000 - 2,800,000) common share purchase warrants outstanding at December 31, 2001. 1,000,000 warrants were exercised during the year and 1,000,000 warrants expired during the year. The Company issued 4,483,750 warrants exercisable varying between $0.45 and $0.60 per share expiring June 26, 2002. The warrants were issued as a result of private placements and flow through share offerings as follows:

	2001		2000	
	Number of warrants	**Weighted average exercise price**	Number of warrants	Weighted average exercise price
Warrants, beginning of year	**2,800,000**	**$ 0.30**	2,000,000	$ 0.24
Granted, private placements	**2,650,000**	**0.40**	800,000	0.45
Granted, flow through share offerings	**1,833,750**	**0.30**	--	--
Exercised	**(1,000,000)**	**0.12**	--	--
Expired	**(1,000,000)**	**0.35**	--	--
Warrants outstanding, end of year	**5,283,750**	**$ 0.48**	2,800,000	$ 0.30

		Warrants outstanding	
Range of exercise prices	Warrants outstanding	Weighted average remaining term (years)	Weighted average exercise price
Under $1.00	5,283,750	1.2	$ 0.48

(e) Fully diluted earnings per share amounts resulting from potential exercise of the options outstanding have not been disclosed as these exercises are anti-dilutive. (Note 2 (m))

9. INCOME TAXES

Under Canadian Income Tax Law, development and exploration expenditures are subject to certain restrictions in deductibility. The Company has total expenditures of approximately $9,413,000 (2000 - $8,852,000) available at December 31,2001, to be carried forward to reduce future taxable income. Approximately $4,395,000 (2000 - $4,395,000) of these expenditures are successor costs which may be deductible from income attributable to certain resource properties.

The Company has non-capital losses of $3,902,000 (December 31, 20000 - $4,581,000) which may be carried forward to reduce future taxable income. The right to claim these losses expires $886,000 in 2002, $1,090,000 in 2003, $838,000 in 2004, $681,000 in 2005, $69,000 in 2006 and $338,000 in 2007.

Income taxes reported differ if computed by applying the statutory federal and provincial income tax rates of 41.62% to income before income taxes. The current expense calculated is nil. The difference is due to unrecognized benefits of losses carried forward.

10. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2001, the Company had the following transactions with related parties:

(a) was reimbursed a net $43,605 from Hansa for overhead charges;
(b) charged Carmina $40,000 in management fees and was reimbursed $85,168 for overhead charges;
(c) officers and directors of the Company exercised 40,000 options for $10,000;
(d) issued 500,000 shares in a private placement to employees and directors of the company for $225,000
(e) issued 475,000 flow through shares to officers of the Company for $190,000;
(f) issued 1,000,000 shares in private placements to corporations controlled by a director of the Company for $350,000: The shares were issued at market value on October 12, 2001, the date of agreement; and
(g) Received 4,000,000 shares of Hansa for debt forgiveness of $600,972. The shares were exchanged at market value on June 14, 2001, the date of agreement.

During the year ended December 31, 2000, the Company had the following transactions with related parties:

(a) was reimbursed a net $38,221 from Hansa Corporation in respect of overhead charges;
(b) charged Carmina Canada, Inc. $40,000 in management fees and was reimbursed $76,549 in respect of overhead charges;
(c) issued 300,000 shares to a corporation controlled by a director of the company for $120,000; and
(d) issued 200,000 flow through shares to officers of the Company for $80,000.

During the year ended December 31, 1998 the Company purchased 700,000 shares of itself through a subsidiary for $1 each from Hansa Corporation and the carrying amount of these shares on Hansa's books was $545,000 (Note 8).
The above transactions are in the normal course of operations and measured at the exchange amounts. The exchange amounts reflect values that the Company would transact with arm's length parties.

11. REMUNERATION OF DIRECTORS AND OFFICERS

During the year ended December 31, 2001, the Directors and Officers of the Company received management fees totalling $271,100 (December 31,2000 - $153,500). Directors and Officers exercised 40,000 stock options during the year ended December 31, 2001 (December 31, 2000 - 290,000).

As at December 31, 2001 the Officers and Directors held options to purchase a total of 2,295,000 common shares at exercise prices varying between $0.25 and $1.00 per share. The stock options vest 25% annually over four years based on the anniversary date of the options. As at December 31, 2001, 1,093,750 of the total options issued to Officers and Directors are exercisable and in 2006 the options will be fully vested.

As at December 31, 2001 the Officers and Directors held 1,175,000 common share purchase warrants exercisable varying between $0.45 and $0.60 per share expiring by December 31, 2002 and April 26, 2003.

12. COMMITMENTS

The Company has contracts with certain members of management where they will receive severance payments upon termination without cause. The current commitment on termination is estimated to be approximately $548,000.

13. SEGMENTED INFORMATION

The Company is only involved in the exploration of mineral properties in Canada as per the attached schedule.

14. GAIN ON SETTLEMENT

During the year ended December 31, 2000 the Company reached a settlement on a claim that had been filed against another company (the "defendant"). Pursuant to the terms of the settlement, the Company received certain shares of the defendant valued at $885,642 (note 16) and a cash payment of $29,099. These shares were subsequently transferred to Carmina Technologies, Inc. towards the purchase of shares in Carmina (Note 5).

15. SUBSEQUENT EVENTS

(a) A short form prospectus was completed February 13, 2002 for 2,325,581 flow through shares and 2,325,581 non-flow through shares of capital stock with non-transferable share purchase warrants attached to each share issued. Two (2) warrants entitles the holder to acquire one additional share at $0.50 per share and expires February 13, 2003. Total net proceeds of $1,827,912 were received in February 2002;

(b) Officers and directors of the Company exercised 170,000 employee stock options for total proceeds of $42,500; and

(c) Granted 300,000 stock options to consultants of the Company at $0.50 per share.

(d) Entered into an option agreement to earn a 50% interest in approximately 26,000 hectares of diamond claims in the Temagami region of northeastern Ontario, by expending a total of $4,550,000 on exploration by September 30, 2005.

16. STATEMENT OF CASH FLOWS

During the year ended December 31, 2001, the Company had the following non-cash transactions:

(a) Received a 4,000,000 share investment in Hansa Corporation in settlement of outstanding debt of $600,972 (Note 5);

(b) 500,000 private placement shares valued at $225,000 were issued in exchange for reduction of payables owing to certain directors and officers of the Company;

(c) 450,000 of the private placement shares to be issued valued at $166,500 were for reduction of payables owing to a director of the Company;

(d) 575,000 of the flow through shares to be issued, valued at $230,000 were for reduction of payables;

(e) 502,650 flow through shares were issued for net $162,968, funds in transit were received in January 2002; and,

(f) Interest of $190,400 was accrued on the debenture from Courage Investments Limited and is included in accounts receivable (Note 4).

During the year ended December 31, 2000, the Company had the following non-cash transactions:

(a) Received a share investment in a certain company pursuant to a settlement (Note 14) which shares were valued at $885,642; and

(b) Purchased further share investments in exchange for note amounts issued to affiliated parties in the amount of $251,546;

(c) Interest of $190,400 was accrued on the debenture from Courage Investments Limited and is included in accounts receivable (Note 4).

(d) 430,000 flow through shares were issued for net $206,500 of funds in transit which received in January 2001.

SCHEDULE OF MINERAL PROPERTIES
For the year ended December 31, 2001

	Opening	Expenditures (Disposals)	Closing
NORTHWEST TERRITORIES			
Courageous Lake/Jax			
Acquisition	**$ 1,014,421**	**$ 2,646**	**$ 1,017,067**
Exploration	**681,678**	**2,907**	**684,585**
Harley			
Acquisition	**36,698**	**--**	**36,698**
Exploration	**51,456**	**500**	**51,956**
NUNAVUT			
Inulik			
Acquisition	**1,996,245**	**12,304**	**2,008,549**
Exploration	**8,293,619**	**461,353**	**8,754,972**
SASKATCHEWAN			
Mossy River			
Acquisition	**-**	**--**	**--**
Exploration	**-**	**45,241**	**45,241**
	12,074,117	**529,946**	**12,599,068**
MISCELLANEOUS	**265**	**4,995**	**5,260**
Less: tax effect of flow-through share renunciations	**(2,867,600)**	**(220,000)**	**(3,087,600)**
TOTAL	**$ 9,206,782**	**309,946**	**$ 9,516,728**

Total expenditures, dispositions and write downs, and tax effect of renunciations to mineral properties for the twelve months ended December 31, 2000 were as follows:

Total expenditures	$ 80,839
Total tax effect of renunciations	$ --

SCHEDULE OF ADMINISTRATIVE EXPENSES
For the years ended December 31,

	2001	2000
Consulting and management fees	$ 479,324	$ 264,022
Public and investor relations	23,005	61,012
Rent	33,594	26,253
Salaries and benefits	26,785	21,383
Shareholder reporting	54,008	42,645
Transfer fees	13,479	31,147
Legal fees	49,558	4,644
Other	42,906	33,466
TOTAL ADMINISTRATIVE EXPENSES	$ 722,659	$ 484,572

Corporate Information

BOARD OF DIRECTORS

JOHN M. ALSTON, B.Sc. P.Geol. *
Chairman and Chief Executive Officer

GLEN R. ALSTON, B.Comm.
President and Chief Financial Officer

BERNARD BENNING, M.Ed., M.B.A., C.M.A.,*
VP Corporate Development, Bow Valley College

JIM LEHMAN, C.M.A.
CFO, Nunasi Corp., Nunavut

THOMAS W. WHITTINGHAM, B.Sc.*
Business and Energy Consultant

*Audit Committee

OFFICERS AND KEY PERSONNEL

JOHN M. ALSTON, B.Sc. P.Geol.
Chairman and Chief Executive Officer

GLEN R. ALSTON, B.Comm.
President and Chief Financial Officer

JUDITH A. STOETERAU, B.Sc., P.Geo.
VP Exploration and Secretary

ROBERT d'ARTOIS
VP Investor Relations and Corporate Communications

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BDO Dunwoody LLP
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BANKERS

ROYAL BANK OF CANADA
355 - 8 Avenue, SW
Calgary, Alberta T2P 2N5

STOCK EXCHANGE

Listed: Canadian Venture Exchange
Calgary, Alberta
Trading Symbol: RDM

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